State of Utah

DEPARTMENT OF NATURAL RESOURCES

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 12, 2013

Frank Filas
Energy Fuels Resources (USA)
225 Union Boulevard Suite 600
Lakewood Colorado 80228

Subject: <u>Review of Amended Notice of Intention to Commence Large Mining Operations, Energy
Fuels Resources (USA), Inc., Tony M Mine, M/017/0049, Garfield County, Utah</u>

Dear Mr. Filas:

Thank you for providing a revised reclamation cost estimate for the Tony M Mine. The attached comments will need to be adequately addressed before the Division finds the estimate to be complete. Please submit your response by October 31, 2013.

Questions about the comments should be addressed to Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov. Questions about administrative procedures can be addressed to me at 801-538-5261 or by e mail at paulbaker@utah.gov. Thank you for your cooperation.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: whw: eb
Attachment: Review
cc: John Reay and Sue Fivecoat, Hanksville BLM (jreay@blm.gov and sfivecoa@blm.gov)
      Jerry Mansfield, SITLA (jmansfield@utah.gov)
P:\GROUPS\MINERALS\WP\M017-Garfield\M0170049-TonyM\Final\Rev-5581-09052013.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
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UTAH
DNR

OIL, GAS & MINING

REVIEW OF NOTICEOF INTENTION
TO COMMENCE LARGE MINING OPERATIONS
Energy Fuels Resources (USA)
Tony M Mine
M/017/0049
September 6, 2013

R647-4-113 – Surety

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
1	Summary Sheet	Use a mob/demob cost of 10%. The mob/demob covers the cost of equipment transportation to and from the site, but it also includes other items, such as performance bonds.	whw	
2	Means Reference Numbers	Please use 2013 Means costs. 02 41 13 17 5300 $19.40/sy 13 05 05 50 0550 $1.83/sf flr 13 05 05 75 0530 $1,550.00 ea 5,00 to 10,000 gallon tanks 02 41 13 44 0300 $385.00/ea – 2,000-2,500 gal septic tank 31 23 16 42 0305 $1.56/bcy	whw	
3	Demolition of structures	Please include costs for transportation and disposal of building debris. Means includes a 20-mile haul one way to a disposal facility. The disposal cost depends on the facility and is site specific. Please include a quote from the facility were the material will be disposed of. Note: for steel the Division assumes no charge if the steel is disposed of in a recycle facility.	whw	
4	Portal Closure	Please include costs to seal portals according to MSHA standards.	whw	
5	Tank removal	Please include the cost for transporting and disposing of tanks. They are separate costs listed in Means. Those costs were included in the 2009 costs.	whw	
6	Equipment rental rates	The Division will accept your equipment rates. In general the Division uses Blue Book rates. For a D9 dozer the monthly rental rate is $23,995.00 (assume 176 hours in a month), $136.33/hr, the operating cost, which includes fuel and other consumables, is $132.60/hr. Cost without operator is $266.93 while your cost is $199/hr (rental) plus $87/hr (operating costs) for a total of $286.00. If you want to use Blue Book costs please contact the Division for numbers.	whw	
7	2009 bond estimate	Please include the following items that were listed under building in 2009: well house (840 cubic feet) and vent hole diffusers (1,920 cubic feet). If the structures were removed then please apply for a bond release for these items.	whw	
8	2009 bond estimate	Please include the cost to backfill vent holes as stated in the 2009 plan, or please amend the plan. Note that if the vent holes could access water once the mine is flooded then they must be sealed according to the standards in R647-4-108.	whw	
9	2013 Estimate	When possible use Mean or another reference material instead of giving an estimate for unit costs. The Division understands that sometimes estimates must be made because there are no direct references for some activities.	whw	
10	2013 Estimate	Instead of just listing Cat Handbook for reference number state a specific task such as pushing material 100 feet. Means also has cost for similar operations.	whw	